



## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### 15 CFR Part 744

[Docket No. 230810-0191]

RIN 0694-AJ33

#### Revisions to the Unverified List

**AGENCY:** Bureau of Industry and Security, Department of Commerce.

**ACTION:** Final rule.

**SUMMARY:** The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) by removing a total of 35 persons from the Unverified List (UVL), including 27 under the destination of China, one under the destination of Indonesia, two under the destination of Pakistan, one under the destination of Singapore, one under the destination of Turkey, and one under the destination of the United Arab Emirates because BIS was able to verify their *bona fides*; two persons, under the destination of Russia, are also removed from the UVL after they were added to the Entity List.

**DATES:** This rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** For questions on the Unverified List revisions, contact Linda Minsker, Director, Office of Enforcement Analysis, Phone: (202) 482-4255, Email: [UVLRequest@bis.doc.gov](mailto:UVLRequest@bis.doc.gov).

#### SUPPLEMENTARY INFORMATION:

## **Background**

### **Unverified List Changes**

The UVL, found in supplement no. 6 to part 744 of the EAR (15 CFR parts 730-774), contains the names and addresses of foreign persons who are or have been parties to a transaction, as described in § 748.5 of the EAR, involving the export, reexport, or transfer (in-country) of items subject to the EAR. These foreign persons are added to the UVL because BIS or federal officials acting on BIS's behalf were unable to verify their *bona fides* (i.e., legitimacy and reliability relating to the end use and end user of items subject to the EAR) through the completion of an end-use check. Sometimes these checks, such as a pre-license check (PLC) or a post-shipment verification (PSV), cannot be completed satisfactorily for reasons outside the U.S. Government's control.

There are any number of reasons why these checks cannot be completed to the satisfaction of the U.S. Government. The reasons include, but are not limited to: (1) reasons unrelated to the cooperation of the foreign party subject to the end-use check (for example, BIS sometimes initiates end-use checks but is unable to complete them because the foreign party cannot be found at the address indicated on the associated export documents and BIS cannot contact the party by telephone or email); (2) reasons related to a lack of cooperation by the host government that fails to schedule and facilitate the completion of an end-use check, for example by host government agencies' lack of responses to requests to conduct end-use checks, actions preventing the scheduling of such checks, or refusals to schedule checks in a timely manner; or (3) when, during the end-use check, a recipient of items subject to the EAR is unable to produce the items that are the subject of the end-use check for visual inspection or provide sufficient documentation or other evidence to confirm the disposition of the items.

BIS's inability to confirm the *bona fides* of foreign persons subject to end-use checks for the reasons described above raises concerns about the suitability of such persons as participants in future exports, reexports, or transfers (in-country) of items subject to the EAR; this also

indicates a risk that such items may be diverted to prohibited end uses and/or end users. Under such circumstances, there may not be sufficient information to add the foreign person at issue to the Entity List under § 744.11 of the EAR. Therefore, BIS may add the foreign person to the UVL.

As provided in § 740.2(a)(17) of the EAR, the use of license exceptions for exports, reexports, and transfers (in-country) involving a party or parties to the transaction who are listed on the UVL is suspended. Additionally, under § 744.15(b) of the EAR, there is a requirement for exporters, re-exporters, and transferors to obtain (and maintain a record of) a UVL statement from a party or parties to the transaction who are listed on the UVL before proceeding with exports, reexports, and transfers (in-country) to such persons, when the exports, reexports, and transfers (in-country) are not subject to a license requirement. Finally, pursuant to § 758.1(b)(8), Electronic Export Information (EEI) must be filed in the Automated Export System (AES) for all exports of tangible items subject to the EAR where any party to the transaction, as described in § 748.5(d) through (f), is listed on the UVL.

Requests for the removal of a UVL entry must be made in accordance with § 744.15(d) of the EAR. Decisions regarding the removal or modification of UVL entry will be made by the Deputy Assistant Secretary for Export Enforcement, based on a demonstration by the listed person of their *bona fides*.

#### *Removals from the UVL*

This final rule removes 33 persons from the UVL after BIS was able to verify their *bona fides*. This rule removes the following 27 persons under the destination of China: “Beijing PowerMac Company;” “Beijing SWT Science;” “Beijing Zhonghehangxun Technology;” “Chongqing Xinyuhang Technology Co., Ltd.,” “Dandong Center for Food Control;” “DK Laser Company Ltd.,” “Guangdong Guanghua Sci-Tech Co.,” “Guangzhou GRG Metrology & Test (Beijing) Co., Ltd.,” “Gucheng Xian Fengxin Titanium Alloy;” “Hunan University;” “Jialin Precision Optics (Shanghai) Co., Ltd.,” “Jinan Bodor CNC Machine Co., Ltd.,” “Lishui

Zhengyang Electric Power Construction;” “Luoyang Weimi Optics;” “Nanchang University;” “Nanjing Gova Technology Co. Ltd.,” “Qingdao Sci-Tech Innovation Quality Testing Co. Ltd.,” “Shuang Xiang (Fujian) Electronics;” “Sino Superconductor Technology;” “Suzhou Chaowei Jingna Optoelectric Co.,” “Suzhou Sen-Chuan Machinery Technology Co., Ltd.,” “Tianjin Optical Valley Technology Co., Ltd.,” “TRI Microsystems;” “Wuxi Hengling Technology Co., Ltd.,” “Yunnan FS Optics Co., Ltd.,” “Yunnan Tianhe Optoelectronic Co., Ltd.,” and “Zhuzhou CRRC Special Equipment Technology Co.” This rule also removes “PT Smart Cakrawala Aviation” under the destination of Indonesia, “Seven Star Company” and “T.M.A. International” under the destination of Pakistan, “Smart Cakrawala Aviation” under the destination of Singapore, “Odak Kimya” under the destination of Turkey, and “Recaz Star General Trading LLC” under the destination of the United Arab Emirates. BIS is removing these 33 persons pursuant to § 744.15(c)(2) of the EAR.

On June 6, 2022, in the final rule “Additions of Entities to the Entity List” (87 FR 34154), BIS added “OAO Radiofizika” and “Voentelecom JSC” under the destination of Russia to the Entity List. Therefore, as a conforming change, this final rule also removes “Radiofizika OAO” and “JSC Voentelecom”, under the destination of Russia, from the Unverified List.

### **Export Control Reform Act of 2018**

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which included the Export Control Reform Act of 2018 (ECRA), 50 U.S.C. 4801–4852. ECRA provides the legal basis for BIS’s principal authorities and serves as the authority under which BIS issues this final rule.

### **Rulemaking Requirements**

### **Executive Order Requirements**

Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches

that maximize net benefits (including potential economic, environmental, public health and safety effects, distribute impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This final rule is not a “significant regulatory action” under Executive Order 12866.

This rule does not contain policies with federalism implications as that term is defined under Executive Order 13132.

### **Paperwork Reduction Act Requirements**

Notwithstanding any other provision of law, no person is required to respond to, nor is subject to a penalty for failure to comply with, a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under the following control numbers: 0694–0088 (Simplified Network Application Processing System – Redesign (SNAP-R) and the Multipurpose Export License Application), 0694–0122 (Licensing Responsibilities and Enforcement), and 0694–0137 (License Exceptions and Exclusions). The restoration of license exceptions for listed persons on the Unverified List will result in decreased license applications being submitted to BIS by exporters. The total burden hours associated with the Paperwork Reduction Act are not expected to change.

### **Administrative Procedure Act and Regulatory Flexibility Act Requirements**

Pursuant to section 4821 of ECRA, this action is exempt from the Administrative Procedure Act (5 U.S.C. 553) requirements for notice of proposed rulemaking and opportunity for public participation.

Further, no other law requires notice of proposed rulemaking or opportunity for public comment for this final rule. Because a notice of proposed rulemaking and an opportunity for

public comment are not required under the Administrative Procedure Act or by any other law, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) are not applicable.

#### **List of Subjects in 15 CFR Part 744**

Exports, Reporting and recordkeeping requirements, Terrorism.

Accordingly, part 744 of the Export Administration Regulations (15 CFR parts 730 through 774) is amended as follows:

#### **PART 744 - [AMENDED]**

1. The authority citation for 15 CFR part 744 continues to read as follows:

**Authority:** 50 U.S.C. 4801–4852; 50 U.S.C. 4601 *et seq.*; 50 U.S.C. 1701 *et seq.*; 22 U.S.C. 3201 *et seq.*; 42 U.S.C. 2139a; 22 U.S.C. 7201 *et seq.*; 22 U.S.C. 7210; E.O. 12058, 43 FR 20947, 3 CFR, 1978 Comp., p. 179; E.O. 12851, 58 FR 33181, 3 CFR, 1993 Comp., p. 608; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; Notice of September 19, 2022, 87 FR 57569 (September 21, 2022); Notice of November 8, 2022, 87 FR 68015 (November 10, 2022).

#### **Supplement No. 6 to Part 744 [Amended]**

2. Supplement no. 6 to part 744 is amended:

a. Under CHINA, PEOPLE’S REPUBLIC OF by removing the entries for “Beijing PowerMac Company;” “Beijing SWT Science;” “Beijing Zhonghehangxun Technology;” “Chongqing Xinyuhang Technology Co., Ltd.,” “Dandong Center for Food Control;” “DK Laser Company Ltd.,” “Guangdong Guanghua Sci-Tech Co.,” “Guangzhou GRG Metrology & Test (Beijing) Co., Ltd.,” “Gucheng Xian Fengxin Titanium Alloy;” “Hunan University;” “Jialin Precision

Optics (Shanghai) Co., Ltd.;" "Jinan Bodor CNC Machine Co., Ltd.;" "Lishui Zhengyang Electric Power Construction;" "Luoyang Weimi Optics;" "Nanchang University;" "Nanjing Gova Technology Co., Ltd.;" "Qingdao Sci-Tech Innovation Quality Testing Co., Ltd.;" "Shuang Xiang (Fujian) Electronics;" "Sino Superconductor Technology;" "Suzhou Chaowei Jingna Optoelectric Co.;" "Suzhou Sen-Chuan Machinery Technology Co., Ltd.;" "Tianjin Optical Valley Technology Co., Ltd.;" "TRI Microsystems;" "Wuxi Hengling Technology Co., Ltd.;" "Yunnan FS Optics Co., Ltd.;" "Yunnan Tianhe Optoelectronic Co., Ltd.;" and "Zhuzhou CRRC Special Equipment Technology Co.;"

- b. By removing the country listing for INDONESIA and the entry for "PT Smart Cakrawala Aviation" under the listing;
- c. Under PAKISTAN by removing the entries for "T.M.A. International" and "Seven Star Company;"
- d. Under RUSSIA by removing the entries for and "JSC Voentelecom" and "Radiofizika OAO;"
- e. Under SINGAPORE by removing the entry for "Smart Cakrawala Aviation;"
- f. Under TURKEY by removing the entry for "Odak Kimya;" *and*
- g. Under the UNITED ARAB EMIRATES by removing the entry for "Recaz Star General Trading LLC."

**Matthew S. Borman,**

*Deputy Assistant Secretary for Export Administration.*